

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

This bill establishes a loan repayment program for medical residency in an approved medical specialty program; increases the maximum amounts for student loans and the loan repayment program and increases the default provisions of the loan repayment program.

The Legislature will determine the amount of funding provided for the student loan, loan repayment and the medical residency programs. The Department of Health and Human Services provided the impact of funding new loan/loan repayments at the same number as the program currently serves, using the higher amounts authorized in the bill. Since there is a three-year practice obligation, the amounts incrementally increase over the three-year span. The General Fund amount would be \$450,000 in FY 16; \$800,000 in FY 17 and \$1,150,000 in FY 18. Cash funds from community contributions would be equal to the General Fund appropriation amounts.

Assuming three new awards each year under the Medical Residency Loan Repayment Program, the cost would be \$120,000 in FY 16; \$240,000 in FY 17 and \$360,000 in FY 18 in both General Funds and cash funds. The cash funds are from the community match.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 196	AM:	AGENCY/POLT. SUB: HHS	
REVIEWED BY: Elton Larson		DATE: 2/19/2015	PHONE: 471-4173
COMMENTS: HHS analysis and estimate of fiscal impact appear reasonable.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 196	AM:	AGENCY/POLT. SUB: University of Nebraska	
REVIEWED BY: Elton Larson		DATE: 1/30/15	PHONE: 471-4173
COMMENTS: Agency analysis and estimate of no fiscal impact appear reasonable.			

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Mike Mason

Date Prepared:(4) 2-17-15

Phone: (5) 471-0676

	<u>FY 2015-2016</u>		<u>FY 2016-2017</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$570,000		\$1,040,000	
CASH FUNDS	\$400,000	\$400,000	\$ 750,000	\$750,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$970,000	\$400,000	\$1,790,000	\$750,000

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB196 amends the Rural Health Systems and Professional Incentive Act as follows:

- Adds a loan repayment program for medical residency in an approved medical specialty residency program in Nebraska;
- Increases the maximum amounts for student loans and loan repayment programs under the Act;
- Changes the default provisions of the loan repayment program to match the student loan program default provisions of 150 percent at 8 percent interest from the date of default; and
- Provides clarification of certain sections of the Act.

1.Fiscal Impact of Increasing Maximum Amounts for Student Loans and Loan Repayment

LB196 would involve incremental funding increases since loan repayment requires a 3-year practice obligation. With approximately 30-35 new loan repayment recipients each year, here is what the additional funding for the increase in maximum amounts for student loans and loan repayment would be if the number of awards is to be maintained (this includes the cash spending authority for the local match funds for loan repayment): Year 1: \$850,000; Year 2: \$1,550,000; Year 3: \$2,250,000

Fund Source	FY2015-16	FY2016-17	FY2017-18
General Funds	\$450,000	\$800,000	\$1,150,000
Cash Funds	\$400,000	\$750,000	\$1,100,000
TOTAL	\$850,000	\$1,550,000	\$2,250,000

2. Fiscal Impact of the Medical Resident Loan Repayment Program

A new program is being introduced, the Medical Resident Loan Repayment Program. This program offers a medical resident up to \$40,000 per year for up to three years while in residency. If 3 new awards are granted each year, the additional funding needed would be as follows: Year 1: \$120,000; Year 2: \$240,000; Year 3: \$360,000. This is general funds.

Fund Source	FY2015-16	FY2016-17	FY2017-18
General Funds	\$120,000	\$240,000	\$360,000
TOTAL	\$120,000	\$240,000	\$360,000

Total Fund Source	FY2015-16	FY2016-17	FY2017-18

General Funds	\$570,000	\$1,040,000	\$1,510,000
Cash Funds	\$400,000	\$750,000	\$1,100,000
TOTAL	\$970,000	\$1,790,000	\$2,610,000

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2015-2016	2016-2017
		15-16	16-17	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....				\$400,000	\$750,000
Travel.....					
Capital Outlay.....					
Aid.....				\$570,000	\$1,040,000
Capital Improvements.....					
TOTAL.....				\$ 970,000	\$1,790,000

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2015

LB⁽¹⁾ 196

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ University of Nebraska

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ January 20, 2015 Phone: ⁽⁵⁾ 472-7109

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 196 dealing with Rural Health Systems would have no fiscal impact on the University.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____